GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:697
ANSWERED ON:04.03.2005
INSURANCE FOR NATIONAL CALAMITY AFFECTED PEOPLE
Thummar Shri Virjibhai;Yadav Shri Giridhari

Will the Minister of FINANCE be pleased to state:

(a) whether insurance cover is provided to the poor people for the reconstruction of their houses damaged due to natural calamities like fire, floods, cyclone, earthquake etc.;

(b) if so, the details thereof;

(c) if not, whether the Government proposes to launch such scheme;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) & (b): Yes, Sir. The General Insurance Companies, both in public sector and private sector, are marketing insurance policies for coverage of risk of loss/damage of houses dus to natural calamities like fire, floods, cyclone, earthquake etc. These insurance policies could be purchased by anybody by payment of requisite premium.

(c) to (e): A Calamity Relief Fund (CRF) for each State is in operation to provide immediate relief to the people affected by natural calamities for repair and restoration of their damaged houses. Central Government contributes 75% to the CRF of each State and the balance 25% is met by the State Governments. In case of a calamity of severe nature, Central Government provides additional assistance to State Governments from National Calamity Contingency Fund (NCCF) depending upon the requirement. In view of this, there is no proposal to launch a separate scheme for relief to people effected by natural calamity.